NEW YORK STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLAN CONTRACTING AND OVERSIGHT
ARTICLES 44 AND 49 STATEMENT OF DEFICIENCIES

NAME OF MANAGED CARE ORGANIZATION Highmark Western and Northeastern New York, Inc.	**TYPE OF SURVEY:** Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey **Survey ID #** -697905333
STREET ADDRESS, CITY, STATE, ZIP CODE 257 West Genesee Street Buffalo, NY 14202	**SURVEY DATES:** July 24, 2023 – September 23, 2024

NOTE: The following list of deficiencies was identified by Health Department representatives during an Article 44 and/or Article 49 operational or focused survey of your Managed Care Organization (MCO). Correction of these deficiencies is required in order to bring your MCO into compliance with Article 44 and/or 49 of the New York State Public Health Law and the New York State Official Compilation of Codes, Rules, and Regulations (10NYCRR). In the column headed Provider Plan of Correction, describe the Plan of Corrective Action and anticipated date of corrections. The Plan of Correction should be returned within 15 business days.

Deficiencies	Plan of Correction with Timetable
10 NYCRR 98- 4.4 Mental health and substance use disorder parity compliance program (a) Every MCO shall adopt and implement a compliance program that shall include at a minimum: (1) designation of an appropriately experienced individual who shall: (i) be responsible for assessing, monitoring, and managing parity compliance; (ii) report directly to the MCO's chief executive officer or other senior manager; and (iii) report no less than annually to the MCO's board of directors or other governing body, or the appropriate committee thereof, on the activities of the compliance program; 2) written policies and procedures that implement the compliance program, and that describe how the MCO's parity compliance is assessed, monitored, and managed, including: (i) a system for assigning each benefit to the defined benefit classifications as required by MHPAEA; (ii) methodologies for the identification and testing of all financial requirements and quantitative treatment limitations; and (iii) methodologies for the identification and testing, including a comparative analysis, of all non-quantitative treatment limitations that are imposed on mental health or substance use disorder benefits; (3) methodologies for the identification and remediation of improper practices, as described in paragraph (1) of subdivision (b) of this section; (4) a system for the ongoing assessment of parity compliance…. **PHL § 4406 Health maintenance organizations; regulation of contracts** **1. The contract between a health maintenance organization and an enrollee shall be subject to regulation by the superintendent as if it were a health insurance subscriber contract, and shall include, but not be limited to, all mandated benefits required by**	**Prior Authorization- PA.5** **Statement of Finding:** 10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1 Prior Authorization PA.5: The citation was for failure to incorporate relevant information into the workbook, not adding whole documents into the workbooks. Additionally, the use of an alternative reporting format for the workbooks was discussed during the Plan's Exit Conference on 9/23/2024 in order to accommodate for the incorporation of additional information. The information below was also provided to the Plan via email on 9/23/2024: "MCO workbooks do not need to remain in the Excel spreadsheet format. Before Phase III began, it was requested that the format be changed to word documents due to the limitations of Excel. Phase III was then distributed in a word document format. MCOs are encouraged to utilize whichever format works best for their plan. If Highmark would prefer to use a word document-based workbook, that is acceptable." **Plan Response:** Highmark appreciates the consideration and flexibility of the Department. Highmark will look to update the information for future submissions. Highmark evaluated whether new and expanding metrics for the operational data comparisons require a change to a more accommodating format. Highmark will

article forty-three of the insurance law. Such contract shall fully and clearly state the benefits and limitations therein provided or imposed, so as to facilitate understanding and comparisons, and to exclude provisions which may be misleading or unreasonably confusing. Such contract shall be issued to any individual and dependents of such individual and any group of one hundred or fewer employees or members, exclusive of spouses and dependents, or to any employee or member of the group, including dependents, applying for such contract at any time throughout the year. An individual direct payment contract shall be issued only in accordance with section four thousand three hundred twenty-eight of the insurance law. The superintendent may, after giving consideration to the public interest, exempt a health maintenance organization from the requirements of this section provided that another health insurer or health maintenance organization within the health maintenance organization's same holding company system, as defined in article fifteen of the insurance law, including a health maintenance organization operated as a line of business of a health service corporation licensed under article forty-three of the insurance law, offers coverage that, at a minimum, complies with this section and provides all of the consumer protections required to be provided by a health maintenance organization pursuant to this chapter and regulations, including those consumer protections contained in sections four thousand four hundred three and four thousand four hundred eight-a of this chapter. The requirements shall not apply to a health maintenance organization exclusively serving individuals enrolled pursuant to title eleven of article five of the social service law, 1 title eleven-D of article five of the social contract for an individual receiving comprehensive-type coverage in effect prior to January first, two thousand four who is ineligible to purchase policies offered after such date pursuant to this section or section four thousand three hundred twenty-eight of the insurance law due to the provision of 42 U.S.C. 1395ss in effect prior to January first, two thousand four. **4303(g) 4303(k) and 4303(l) State Insurance Law** **<u>Deficiency:</u>** Based on review of the Phase I, Phase II, and Phase III nonquantitative treatment limitation (NQTL) workbooks, specific in-operation NQTL requests (Focus Survey Attachment A), and the Mental Health Prior Authorization Information Request (Attachment B) submitted in response to the Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey, Highmark Western and Northeastern New York Inc., (Highmark) failed to provide sufficient, complete comparative analyses	transition from an Excel-based format to a Word document format for PA workbook submissions. This change will enable more flexibility in incorporating detailed information, supporting documents, and overall content clarity. The transition will be completed by July 31, 2025, ensuring that all relevant information is accurately captured and organized in future workbook submissions. **Education**: Highmark will educate applicable staff who create/update the workbooks. Staff Training and Education: A training session will be completed by July 31, 2025, to educate all dedicated functional area business owners on effectively utilizing Word documents for workbook reporting. The training will cover: • Best practices for formatting and organizing information in Word documents. • Techniques for embedding and integrating supplementary data within Word documents. • Reviewing guidelines for ensuring all relevant information is incorporated as required. Training session attendees: Behavioral Health Clinical Director Director I HCMS Compliance Director Pharmacist Program Director Process Expert II RVP I Provider Solutions Network Relations Consultant Manager Manager II Credentialing Provider Reimburse Manager Director, Health Solutions Clinical Operations, Clinical Claims and Coding Review Regulatory Compliance Consult Compliance Manager Plan Performance Medical Director Director Program Management, Claims Editing Services Program Director SIU Medical Director, Behavioral Health Assoc General Council Medical Management Ops Manager Investigator Lead This training session will be completed in July 2025 to support the transition to WORD format and on an as needed basis thereafter. **Highmark Monitoring**: Highmark will conduct ongoing monitoring of the workbooks at monthly Behavioral Health sub-team meetings. These meetings include Highmark and Wellpoint subject matter experts who will collaborate to

demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs: • outlier review, • prior authorization, and • reimbursement. Specifically, for inpatient and outpatient outlier review, Highmark's workbook failed to sufficiently define factors in Step 3 listed for 'fraud and abuse behaviors' and 'wasteful activities' and failed to demonstrate in-operation compliance for fraud, waste and abuse investigations in Step 5. Specifically, during the review of the prior authorization and reimbursement in-operation documentation, it was found that Highmark failed to incorporate relevant information into the workbook. For prior authorization, the MCO submitted documents as part of Attachment A PA.5. The information from those documents must be incorporated into the NQTL workbook to demonstrate compliance. Specifically, for reimbursement, information submitted as part of Attachment A R.1. indicated that negotiations for reimbursement rates higher than the New York State fee schedule may occur when providers contact the MCO and make the request for higher rates, however, Highmark failed to report this in-operation process in the NQTL workbook. The issues were discussed with Highmark during an exit conference call on September 23, 2024.	demonstrate the comprehensive nature of the intervention of the workbooks. The Behavioral Health sub-team meetings occur the third Wednesday of each month. **Date of Implementation**: All tasks identified will be complete by August 15, 2025. ***Highmark Responsible Party:*** [redacted], Director Enterprise Behavioral Health, [redacted], Living Health Clinician Lead-Enterprise Behavioral Health ***Wellpoint Responsible Party:*** [redacted], Behavioral Health Clinical Director, [redacted], Compliance Manager, [redacted] Director I HCMS, and [redacted], Pharmacist Program Director **OUTLIER REVIEW- Step 3** **Statement of Finding:** 10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1 Outlier Review Step 3: The outlier review Step 3 citation was for failure to adequately define the two subfactors referenced in the challenge - 'fraud and abuse behaviors' and 'wasteful activities.' The factors of fraud and abuse behaviors and wasteful activities were defined by an additional listing of factors for each. While some factors such as billing for services not rendered, or upcoding, are self-evident, most of the others require stronger clarity to demonstrate how, when, and under which circumstances the outlier review is initiated. **Plan Response**: The Statement of Findings found that Highmark failed to sufficiently define factors in Step 3 listed for "fraud and abuse behaviors" and "wasteful activities". Highmark's response incorporated specific examples of what is included as fraud and abuse behaviors and wasteful activities. Specifically, the workbook submission noted the following for each: • Fraud and Abuse Behaviors: Altered claims, billing for medically unnecessary services, billing for services not rendered, doctor shopping, misrepresentation of identity, misrepresentation of services or dates of services, phantom providers, unbundling, upcoding. • Wasteful activities: Excessive administrative costs, services delivered inefficiently, services paid due to a failure to implement standard industry waste

	prevention measures, services where costs were inflated, unnecessary or excessive services. As noted in the above previous response, Highmark believes the subfactors noted are self-evident but will take steps to improve the clarity in its analysis and define each of the noted subfactors. Highmark will look to incorporate references from established documentation, including the Fraud and Abuse Prevention Plan, into the comparative analysis to ensure it clearly describes the factors and how the factors are designed and applied in Steps 2 and 3. Highmark would also like to note that all Fraud, Waste and Abuse factors are applied across all specialties (including M/S and MH/SUD). Incorporated references from the Fraud and Abuse Prevention Plan will be inserted into the comparative analysis to ensure it clearly describes the factors and how the factors are designed and applied in the steps. **Education**: SIU personnel will be updated on parity compliance requirements and reporting obligations. This will be completed via an annual training course. The annual web-based training launches June 23, 2025, with 90 days for associates to complete. Additional training will occur to address new guidance, regulatory or contractual changes as it becomes available. **Highmark Monitoring**: Highmark will continue to monitor the Annual Fraud and Abuse Prevention Plan and focus on these items from a parity perspective moving forward. This monitoring will occur in two forums: the Highmark quarterly Special Investigation Unit (SIU)/Fraud, Waste, and Abuse (FWA) sub-team, and the quarterly Wellpoint Parity Workgroup. These groups will collaborate on parity compliance, through the mutual exchange of meeting minutes. These minutes and any data will be brought to the applicable shared sub-teams between Highmark and Wellpoint subject matter experts for discussion. Beginning April 1, 2024, Wellpoint's SIU has provided quarterly operational data to Wellpoint's Parity Workgroup. Wellpoint will continue to monitor and assess definitions of wasteful activities, fraud and abuse behaviors at the next Parity Workgroup meeting in July 2025 and in subsequent quarterly meetings. This practice will continue, with the data now also being shared with the Highmark SIU/Fraud, Waste, and Abuse, and Behavioral Health sub-teams as well as Wellpoint's quarterly Quality Management Committee (QMC) meeting that Highmark attends. This data will be included in all future submissions to all parties. **Date of Implementation**: Implementation of the Wellpoint Parity Compliance Workgroup Standard Operating Procedure commenced on April 1, 2024. In the first quarter of 2025, Wellpoint began distributing meeting minutes to

	leaders of Highmark's Behavioral Health and Fraud, Waste, and Abuse/Special Investigations sub-teams. Highmark subject matter experts will review these minutes and discuss them at subsequent applicable sub-team meetings beginning March 19, 2025. All tasks identified in Outlier Review- Step 3 will be complete by September 30, 2025. ***Highmark Responsible Party:*** [redacted], Director Enterprise Behavioral Health, [redacted]i, Living Health Clinician Lead-Enterprise Behavioral Health, [redacted] Director Financial Investigations & Provider Review ***Wellpoint Responsible Party:*** [redacted], Behavioral Health Clinical Director; [redacted], Program Director SIU, [redacted], Compliance Manager **Outlier Review- Step 5** **Statement of Finding:** 10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1 Outlier Review – Step 5, was determined to be unacceptable. Highmark failed to include how the identified issue would be fixed, a required component. Specifically, Highmark must provide an adequate plan to demonstrate in-operation parity compliance for fraud, waste, and abuse. Highmark also failed to provide a date certain for implementation of the POC, as required. Highmark only provided a "WellPoint Date of Implementation" of April 1, 2024, related to providing data to WellPoint's Parity Workgroup on a quarterly basis. A revised POC should be submitted in response to the amended citations, attached, to this office within 10 business days of receipt of this communication. **Plan Response:** The Statement of Findings indicated that Highmark failed to demonstrate in-operation compliance for fraud, waste, and abuse investigations in Step 5. Highmark notes that since the submission of workbook, the team has been working with the Special Investigations Unit to provide reporting on SIU investigations/fraud, waste and abuse investigations. This information will be incorporated into workbooks submissions in the future and is used by Highmark to evaluate the in-operation application of the outlier review and SIU process. SIU personnel submit in-operation data on a quarterly basis which includes Claim Service Type, Pharmacy Investigations-

	unidentified overpayments and identified overpayments, Pharmacy Investigations with Identified OP broken out between MH/SUD and M/S, and Investigation Claim Service Types. The operational data is reviewed and includes a comparison of the investigation types between M/S and MH/SUD with an additional comparison to the overall claim volume. **Education**: SIU personnel will be updated on parity compliance requirements and reporting obligations. This will be completed via an annual training course. The annual web-based training launches June 23, 2025, with 90 days for associates to complete. Additional training will occur to address new guidance, regulatory or contractual changes as it becomes available. **Highmark Monitoring**: Highmark will continue to monitor the Annual Fraud and Abuse Prevention Plan and focus on these items from a parity perspective moving forward. This monitoring will occur in two forums: the Highmark quarterly Special Investigation Unit (SIU)/Fraud, Waste, and Abuse (FWA) sub-team, and the quarterly Wellpoint Parity Workgroup. These groups will collaborate on parity compliance, through the mutual exchange of meeting minutes. These minutes and any data will be brought to the applicable shared sub-teams between Highmark and Wellpoint subject matter experts for discussion. Beginning April 1, 2024, Wellpoint's SIU has provided quarterly operational data to Wellpoint's Parity Workgroup. This practice will continue, with the data now also being shared with the Highmark SIU/Fraud, Waste, and Abuse, and Behavioral Health sub-teams as well as Wellpoint's quarterly Quality Management Committee (QMC) meeting that Highmark attends. This data will be included in all future submissions to all parties. **Date of Implementation:** Implementation of the Wellpoint Parity Compliance Workgroup Standard Operating Procedure commenced on April 1, 2024. In the first quarter of 2025, Wellpoint began distributing meeting minutes to leaders of Highmark's Behavioral Health and Fraud, Waste, and Abuse/Special Investigations sub-teams. Highmark subject matter experts will review these minutes and discuss them at subsequent applicable sub-team meetings beginning March 19, 2025. All tasks identified in Outlier Review-Step 5 will be complete by September 30, 2025. ***Highmark Responsible Parties:*** [redacted], Director Enterprise Behavioral Health, [redacted] Living Health Clinician Lead-Enterprise Behavioral Health, [redacted], Director Financial Investigations and Provider Review

Wellpoint Responsible Parties: [redacted], Behavioral Health Clinical Director; [redacted], Program Director SIU, [redacted], Compliance Manager

Reimbursement- R.1

Statement of Finding:

10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1

Reimbursement – R.1: The citation was for failure to incorporate relevant information into the workbook, not adding whole documents into the workbooks. Additionally, the use of an alternative reporting format for the workbooks was discussed during the Plan's Exit Conference on 9/23/2024 in order to accommodate for the incorporation of additional information. The information below was also provided to the Plan via email on 9/23/2024:

"MCO workbooks do not need to remain in the Excel spreadsheet format. Before Phase III began, it was requested that the format be changed to word documents due to the limitations of Excel. Phase III was then distributed in a word document format. MCOs are encouraged to utilize whichever format works best for their plan. If Highmark would prefer to use a word document-based workbook, that is acceptable."

Plan Response:

Highmark appreciates the consideration and flexibility of the Department. Highmark will look to update the information for future submissions.

Highmark evaluated whether new and expanding metrics for the operational data comparisons require a change to a more accommodating format. Highmark will transition from an Excel-based format to a Word document format for Reimbursement workbook submissions. This change will enable more flexibility in incorporating detailed information, supporting documents, and overall content clarity.

The transition will be completed by July 31, 2025, ensuring that all relevant information is accurately captured and organized in future workbook submissions.

Education: Highmark will educate applicable staff who create/update the workbooks.

Staff Training and Education:
A training session will be completed by July 31, 2025, to educate all dedicated functional area business owners

	on effectively utilizing Word documents for workbook reporting. The training will cover: • Best practices for formatting and organizing information in Word documents. • Techniques for embedding and integrating supplementary data within Word documents. • Reviewing guidelines for ensuring all relevant information is incorporated as required. Training session attendees: Behavioral Health Clinical Director Director I HCMS Compliance Director Pharmacist Program Director Process Expert II RVP I Provider Solutions Network Relations Consultant Manager Manager II Credentialing Provider Reimburse Manager Director, Health Solutions Clinical Operations, Clinical Claims and Coding Review Regulatory Compliance Consult Compliance Manager Plan Performance Medical Director Director Program Management, Claims Editing Services Program Director SIU Medical Director, Behavioral Health Assoc General Council Medical Management Ops Manager Investigator Lead This training session will be completed in July 2025 to support the transition to WORD format and on an as needed basis thereafter. **Highmark Monitoring**: Highmark will conduct ongoing monitoring of the workbooks at monthly Behavioral Health sub-team meetings. These meetings include Highmark and Wellpoint subject matter experts who will collaborate to demonstrate the comprehensive nature of the intervention of the workbooks. The Behavioral Health sub-team meetings occur the third Wednesday of each month. **Date of Implementation**: All tasks identified will be complete by August 15, 2025. ***Highmark Responsible Party:*** [redacted] Director Enterprise Behavioral Health, [redacted] Living Health Clinician Lead-Enterprise Behavioral Health ***Wellpoint Responsible Party:*** [redacted], Behavioral Health Clinical Director, [redacted], Compliance Manager, [redacted] RVP I Provider Solutions

MCO Representatives Signature: [redacted]	Date: 05/09/2025
Title President	

Statement of Findings
Highmark Western and Northeastern New York, Inc.,
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: July 24, 2023 – September 23, 2024
Survey ID: 697605333

10.2 Compliance with State Medicaid Plan, Applicable Laws and Regulations
h.) Mental Health and Substance Use Disorder Benefits Parity Requirements
ii.) The Contractor shall comply with mental health and substance use disorder benefits parity requirements for financial requirements and treatment limitations specified in 42 CFR 438.910.

18.5 Reporting Requirements
a) The Contractor shall submit the following reports to SDOH (unless otherwise specified). The Contractor will certify the data submitted pursuant to this section as required by SDOH. The certification shall be in the manner and format established by SDOH and must attest, based on best knowledge, information, and belief to the accuracy, completeness and truthfulness of the data being submitted.
xxii) Mental Health and Substance Use Disorder Parity Reporting Requirements
Upon request by the SDOH, OMH or OASAS the Contractor shall prepare and submit documentation and reports, in a form and format specified by SDOH, OMH or OASAS, necessary for the SDOH, OMH or OASAS to establish and demonstrate compliance with 42 CFR 438 Subpart K, and applicable State statute, rules and guidance.

35.1 Contractor and SDOH Compliance With Applicable Laws
Notwithstanding any inconsistent provisions in this Agreement, the Contractor and SDOH shall comply with all applicable requirements of the State Public Health Law; the State Social Services Law; the State Finance Law; the State Mental Hygiene Law; the State Insurance Law; Title XIX of the Social Security Act; Title VI of the Civil Rights Act of 1964 and 45 CFR Part 80, as amended; Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973 and 45 CFR Part 84, as amended; the Age Discrimination Act of 1975 and 45 CFR Part 91, as amended; the ADA; Title XIII of the Federal Public Health Services Act, 42 U.S.C § 300e et seq., regulations promulgated thereunder; the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) and related regulations; the Federal False Claims Act, 31 U.S.C. § 3729 et seq.; Mental Health Parity and Addiction Equity Act of 2008, (P.L. 110-345); for Contractors operating in New York City, the New York City Health Code; and all other applicable legal and regulatory requirements in effect at the time that this Agreement is signed and as adopted or amended during the term of this Agreement. The parties agree that this Agreement shall be interpreted according to the laws of the State of New York.

Findings:
Based on review of the Phase I, Phase II, and Phase III nonquantitative treatment limitation (NQTL) workbooks, specific in-operation NQTL requests (Focus Survey Attachment A), and the Mental Health Prior Authorization Information Request (Attachment B) submitted in response to the Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance Virtual Focus Survey, Highmark Western and Northeastern New York Inc., (Highmark) failed to provide sufficient, complete comparative analyses demonstrating compliance with MHPAEA, P.L. 110-343, for the following NQTLs:

- outlier review,

- prior authorization, and
- reimbursement.

Specifically, for inpatient and outpatient outlier review, Highmark's workbook failed to sufficiently define factors in Step 3 listed for 'fraud and abuse behaviors' and 'wasteful activities' and failed to demonstrate in-operation compliance for fraud, waste and abuse investigations in Step 5.

Specifically, during the review of the prior authorization and reimbursement in-operation documentation, it was found that Highmark failed to incorporate relevant information into the workbook. For prior authorization, the MCO submitted documents as part of Attachment A PA.5. The information from those documents must be incorporated into the NQTL workbook to demonstrate compliance.

Specifically, for reimbursement, information submitted as part of Attachment A R.1. indicated that negotiations for reimbursement rates higher than the New York State fee schedule may occur when providers contact the MCO and make the request for higher rates, however, Highmark did not report this in-operation process in the NQTL workbook.

The deficiencies were discussed with Highmark during an exit conference call on September 23, 2024.

Prior Authorization- PA.5

Statement of Finding:

10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1

Prior Authorization PA.5: The citation was for failure to incorporate relevant information into the workbook, not adding whole documents into the workbooks. Additionally, the use of an alternative reporting format for the workbooks was discussed during the Plan's Exit Conference on 9/23/2024 in order to accommodate for the incorporation of additional information. The information below was also provided to the Plan via email on 9/23/2024:

"MCO workbooks do not need to remain in the Excel spreadsheet format. Before Phase III began, it was requested that the format be changed to word documents due to the limitations of Excel. Phase III was then distributed in a word document format. MCOs are encouraged to utilize whichever format works best for their plan. If Highmark would prefer to use a word document-based workbook, that is acceptable."

Plan Response:

Highmark appreciates the consideration and flexibility of the Department. Highmark will look to update the information for future submissions.

Highmark evaluated whether new and expanding metrics for the operational data comparisons require a change to a more accommodating format. Highmark will transition from an Excel-based format to a Word document format for PA workbook submissions. This change will enable more flexibility in incorporating detailed information, supporting documents, and overall content clarity.

The transition will be completed by July 31, 2025, ensuring that all relevant information is accurately captured and organized in future workbook submissions.

Statement of Findings
Highmark Western and Northeastern New York, Inc.,
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: July 24, 2023 – September 23, 2024
Survey ID: 697605333

Education: Highmark will educate applicable staff who create/update the workbooks.

Staff Training and Education:
A training session will be completed by July 31, 2025, to educate all dedicated functional area business owners on effectively utilizing Word documents for workbook reporting. The training will cover:

- Best practices for formatting and organizing information in Word documents.
- Techniques for embedding and integrating supplementary data within Word documents.
- Reviewing guidelines for ensuring all relevant information is incorporated as required.

Training session attendees:
Behavioral Health Clinical Director
Director I HCMS
Compliance Director
Pharmacist Program Director
Process Expert II
RVP I Provider Solutions
Network Relations Consultant Manager
Manager II Credentialing
Provider Reimburse Manager
Director, Health Solutions Clinical Operations, Clinical Claims and Coding Review
Regulatory Compliance Consult
Compliance Manager
Plan Performance Medical Director
Director Program Management, Claims Editing Services
Program Director SIU
Medical Director, Behavioral Health
Assoc General Council
Medical Management Ops Manager
Investigator Lead

This training session will be completed in July 2025 to support the transition to WORD format and on an as needed basis thereafter.

Highmark Monitoring: Highmark will conduct ongoing monitoring of the workbooks at monthly Behavioral Health sub-team meetings. These meetings include Highmark and Wellpoint subject matter experts who will collaborate to demonstrate the comprehensive nature of the intervention of the workbooks. The Behavioral Health sub-team meetings occur the third Wednesday of each month.

Date of Implementation: All tasks identified will be complete by August 15, 2025.

Highmark Responsible Party: [redacted], Director Enterprise Behavioral Health, [redacted], Living Health Clinician Lead- Enterprise Behavioral Health
Wellpoint Responsible Party: [redacted], Behavioral Health Clinical Director, [redacted] Compliance Manager, [redacted] Director I HCMS, and [redacted], Pharmacist Program Director

OUTLIER REVIEW- Step 3

Statement of Finding:

10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1

Outlier Review Step 3: The outlier review Step 3 citation was for failure to adequately define the two subfactors referenced in the challenge - fraud and abuse behaviors' and 'wasteful activities.' The factors of fraud and abuse behaviors and wasteful activities were defined by an additional listing of factors for each. While some factors such as billing for services not rendered, or upcoding, are self-evident, most of the others require stronger clarity to demonstrate how, when, and under which circumstances the outlier review is initiated.

Plan Response:

The Statement of Findings found that Highmark failed to sufficiently define factors in Step 3 listed for "fraud and abuse behaviors" and "wasteful activities".

Highmark's response incorporated specific examples of what is included as fraud and abuse behaviors and wasteful activities. Specifically, the workbook submission noted the following for each:

- Fraud and Abuse Behaviors: Altered claims, billing for medically unnecessary services, billing for services not rendered, doctor shopping, misrepresentation of identity, misrepresentation of services or dates of services, phantom providers, unbundling, upcoding.

- Wasteful activities: Excessive administrative costs, services delivered inefficiently, services paid due to a failure to implement standard industry waste prevention measures, services where costs were inflated, unnecessary or excessive services.

As noted in the above previous response, Highmark believes the subfactors noted are self-evident but will take steps to improve the clarity in its analysis and define each of the noted subfactors. Highmark will look to incorporate references from established documentation, including the Fraud and Abuse Prevention Plan, into the comparative analysis to ensure it clearly describes the factors and how the factors are designed and applied in Steps 2 and 3. Highmark would also like to note that all Fraud, Waste and Abuse factors are applied across all specialties (including M/S and MH/SUD).

Incorporated references from the Fraud and Abuse Prevention Plan will be inserted into the comparative analysis to ensure it clearly describes the factors and how the factors are designed and applied in the steps.

Education: SIU personnel will be updated on parity compliance requirements and reporting obligations. This will be completed via an annual training course. The annual web-based training launches June 23, 2025, with 90 days for associates to complete. Additional training will occur to address new guidance, regulatory or contractual changes as it becomes available.

Highmark Monitoring: Highmark will continue to monitor the Annual Fraud and Abuse Prevention Plan and focus on these items from a parity perspective moving forward. This monitoring will occur in two forums: the Highmark quarterly Special Investigation Unit (SIU)/Fraud, Waste, and Abuse (FWA) sub-team, and the quarterly Wellpoint Parity Workgroup. These groups will collaborate on parity compliance, through the mutual exchange of meeting minutes. These minutes and any data will be brought to the applicable shared sub-teams between Highmark and Wellpoint subject matter experts for discussion. Beginning April 1, 2024, Wellpoint's SIU has provided quarterly operational data to Wellpoint's Parity Workgroup. Wellpoint will continue to monitor and assess definitions of wasteful activities, fraud and abuse behaviors at the next Parity Workgroup meeting in July 2025 and in subsequent quarterly meetings. This practice will continue, with the data now also being shared with the Highmark SIU/Fraud, Waste, and Abuse, and Behavioral Health sub-teams as well as Wellpoint's quarterly Quality Management Committee (QMC) meeting that Highmark attends. This data will be included in all future submissions to all parties.

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Date of Implementation: Implementation of the Wellpoint Parity Compliance Workgroup Standard Operating Procedure commenced on April 1, 2024. In the first quarter of 2025, Wellpoint began distributing meeting minutes to leaders of Highmark's Behavioral Health and Fraud, Waste, and Abuse/Special Investigations sub-teams. Highmark subject matter experts will review these minutes and discuss them at subsequent applicable sub-team meetings beginning March 19, 2025. All tasks identified in Outlier Review- Step 3 will be complete by September 30, 2025.

Highmark Responsible Party: [redacted], Director Enterprise Behavioral Health, [redacted], Living Health Clinician Lead- Enterprise Behavioral Health, [redacted], Director Financial Investigations & Provider Review
Wellpoint Responsible Party: [redacted], Behavioral Health Clinical Director; [redacted] Program Director SIU, [redacted], Compliance Manager

Outlier Review- Step 5

Statement of Finding:

10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1

Outlier Review – Step 5, was determined to be unacceptable. Highmark failed to include how the identified issue would be fixed, a required component. Specifically, Highmark must provide an adequate plan to demonstrate in-operation parity compliance for fraud, waste, and abuse. Highmark also failed to provide a date certain for implementation of the POC, as required. Highmark only provided a "WellPoint Date of Implementation" of April 1, 2024, related to providing data to WellPoint's Parity Workgroup on a quarterly basis.

A revised POC should be submitted in response to the amended citations, attached, to this office within 10 business days of receipt of this communication.

Plan Response:

The Statement of Findings indicated that Highmark failed to demonstrate in-operation compliance for fraud, waste, and abuse investigations in Step 5.

Highmark notes that since the submission of workbook, the team has been working with the Special Investigations Unit to provide reporting on SIU investigations/fraud, waste and abuse investigations. This information will be incorporated into workbooks submissions in the future and is used by Highmark to evaluate the in-operation application of the outlier review and SIU process. SIU personnel submit in-operation data on a quarterly basis which includes Claim Service Type, Pharmacy Investigations- unidentified overpayments and identified overpayments, Pharmacy Investigations with Identified OP broken out between MH/SUD and M/S, and Investigation Claim Service Types. The operational data is reviewed and includes a comparison of the investigation types between M/S and MH/SUD with an additional comparison to the overall claim volume.

Education: SIU personnel will be updated on parity compliance requirements and reporting obligations. This will be completed via an annual training course. The annual web-based training launches June 23, 2025, with 90 days for associates to complete. Additional training will occur to address new guidance, regulatory or contractual changes as it becomes available.

Highmark Monitoring: Highmark will continue to monitor the Annual Fraud and Abuse Prevention Plan and focus on these items from a parity perspective moving forward. This monitoring will occur in two forums: the Highmark quarterly Special Investigation Unit (SIU)/Fraud, Waste, and Abuse (FWA) sub-team, and the quarterly Wellpoint Parity Workgroup. These groups will collaborate on parity compliance, through the mutual exchange of meeting minutes. These minutes and any data will be brought to the

applicable shared sub-teams between Highmark and Wellpoint subject matter experts for discussion. Beginning April 1, 2024, Wellpoint's SIU has provided quarterly operational data to Wellpoint's Parity Workgroup. This practice will continue, with the data now also being shared with the Highmark SIU/Fraud, Waste, and Abuse, and Behavioral Health sub-teams as well as Wellpoint's quarterly Quality Management Committee (QMC) meeting that Highmark attends. This data will be included in all future submissions to all parties.

Date of Implementation: Implementation of the Wellpoint Parity Compliance Workgroup Standard Operating Procedure commenced on April 1, 2024. In the first quarter of 2025, Wellpoint began distributing meeting minutes to leaders of Highmark's Behavioral Health and Fraud, Waste, and Abuse/Special Investigations sub-teams. Highmark subject matter experts will review these minutes and discuss them at subsequent applicable sub-team meetings beginning March 19, 2025. All tasks identified in Outlier Review- Step 5 will be complete by September 30, 2025.

Highmark Responsible Parties: [redacted], Director Enterprise Behavioral Health, [redacted] Living Health Clinician Lead- Enterprise Behavioral Health, [redacted], Director Financial Investigations and Provider Review
Wellpoint Responsible Parties: [redacted], Behavioral Health Clinical Director; [redacted], Program Director SIU, [redacted], Compliance Manager

Reimbursement- R.1

Statement of Finding:

10 NYCRR 98 - 4.4, PHL § 4406, MMC 10.2, 18.5, 35.1

Reimbursement – R.1: The citation was for failure to incorporate relevant information into the workbook, not adding whole documents into the workbooks. Additionally, the use of an alternative reporting format for the workbooks was discussed during the Plan's Exit Conference on 9/23/2024 in order to accommodate for the incorporation of additional information. The information below was also provided to the Plan via email on 9/23/2024:

"MCO workbooks do not need to remain in the Excel spreadsheet format. Before Phase III began, it was requested that the format be changed to word documents due to the limitations of Excel. Phase III was then distributed in a word document format. MCOs are encouraged to utilize whichever format works best for their plan. If Highmark would prefer to use a word document-based workbook, that is acceptable."

Plan Response:

Highmark appreciates the consideration and flexibility of the Department. Highmark will look to update the information for future submissions.

Highmark evaluated whether new and expanding metrics for the operational data comparisons require a change to a more accommodating format. Highmark will transition from an Excel-based format to a Word document format for Reimbursement workbook submissions. This change will enable more flexibility in incorporating detailed information, supporting documents, and overall content clarity.

The transition will be completed by July 31, 2025, ensuring that all relevant information is accurately captured and organized in future workbook submissions.

Education: Highmark will educate applicable staff who create/update the workbooks.

Statement of Findings
Highmark Western and Northeastern New York, Inc.,
Mental Health Parity and Addiction Equity Act (MHPAEA) Compliance
Virtual Focus Survey
Survey Dates: July 24, 2023 – September 23, 2024
Survey ID: 697605333

Staff Training and Education:
A training session will be completed by July 31, 2025, to educate all dedicated functional area business owners on effectively utilizing Word documents for workbook reporting. The training will cover:

- Best practices for formatting and organizing information in Word documents.
- Techniques for embedding and integrating supplementary data within Word documents.
- Reviewing guidelines for ensuring all relevant information is incorporated as required.

Training session attendees:

Behavioral Health Clinical Director
Director I HCMS
Compliance Director
Pharmacist Program Director
Process Expert II
RVP I Provider Solutions
Network Relations Consultant Manager
Manager II Credentialing
Provider Reimburse Manager
Director, Health Solutions Clinical Operations, Clinical Claims and Coding Review
Regulatory Compliance Consult
Compliance Manager
Plan Performance Medical Director
Director Program Management, Claims Editing Services
Program Director SIU
Medical Director, Behavioral Health
Assoc General Council
Medical Management Ops Manager
Investigator Lead

This training session will be completed in July 2025 to support the transition to WORD format and on an as needed basis thereafter.

Highmark Monitoring: Highmark will conduct ongoing monitoring of the workbooks at monthly Behavioral Health sub-team meetings. These meetings include Highmark and Wellpoint subject matter experts who will collaborate to demonstrate the comprehensive nature of the intervention of the workbooks. The Behavioral Health sub-team meetings occur the third Wednesday of each month.

Date of Implementation: All tasks identified will be complete by August 15, 2025.

Highmark Responsible Party: [redacted], Director Enterprise Behavioral Health, [redacted], Living Health Clinician Lead- Enterprise Behavioral Health
Wellpoint Responsible Party: [redacted], Behavioral Health Clinical Director, [redacted] Compliance Manager, [redacted], RVP I Provider Solutions